From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Wed, 2/10/2016 7:49:24 PM
Subject:	Daily Update

Quote of the Day

"You can fool all the people some of the time, and some of the people all the time, but you cannot fool all the people all the time." – Abraham Lincoln

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Quote of the Day #2

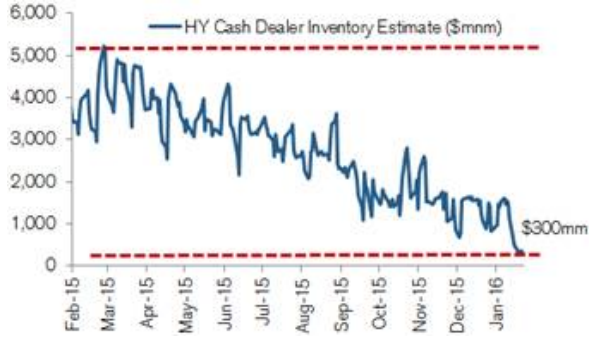
"Sometimes when I am on a stage like this, I wish that we weren't married," "I don't mean that in a negative way. I am happy." – Bill Clinton (we know what you meant Bubba)

- The meow bounce appears. Stocks in Europe are rallying and US futures are up 20 points (although Japanese equities slid another 2.3% overnight). The basis for this rally appears to be terrible sentiment, oversold conditions and Deutsche Bank's indication that they are "considering" buying back some of their bonds (that statement has a 2008 fragrance to it in my opinion…). DB shares are up ~10% however their CDS is only 15bps tighter (230bp now). Oil is off another ~1% (after a ~-6% performance yesterday). $27.65 on WTI (Do I see $1 / gallon gasoline on the horizon?....). Factoids of the day: EuroStoxx are now down ~15% ytd, the S&P is down ~9%, US High Yield is down ~4.5% and Loans are down ~1%... The event/catalyst of the day will be Chairwoman Yellen's testimony to Congress at 10am. She will have to walk a tightrope. Look for questions on NIRP, thoughts on data dependency and views on the pace and risks to economic growth. In other news, Gold is pushing up again (still below $1,200), Bernie and Trump bring home the delegates in New Hampshire, Maersk (the world's largest shipping company, had horrendous earnings and the US is sending more troops to Afghanistan. Futures: +14. 10 year: 1.74%

- Data: Yellen….headlines hitting the tape now =>

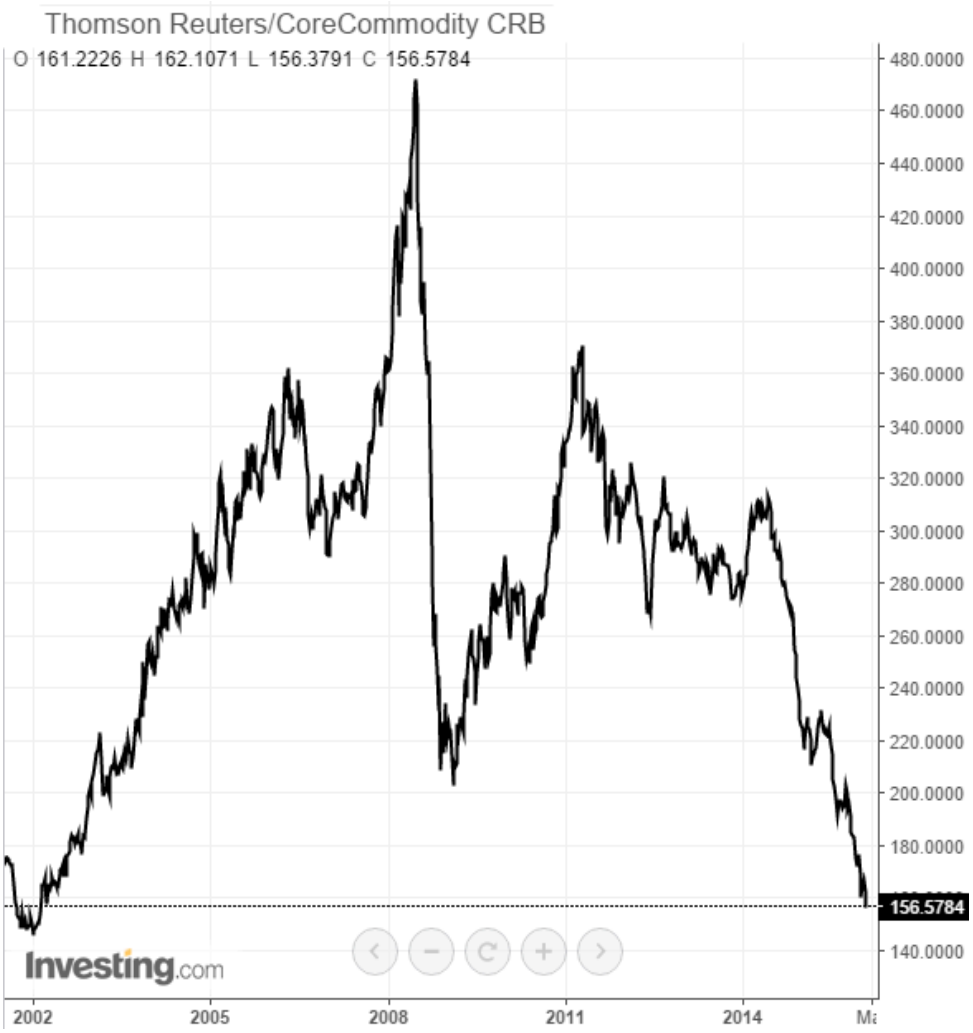
*YELLEN: JOB, WAGE GAINS SHOULD SUPPORT INCOMES AND SPENDING	BFW	08:30
*YELLEN: FINANCIAL STRAINS COULD WEIGH ON OUTLOOK IF PERSISTENT	BFW	08:30
*YELLEN: FED EXPECTS ECONOMY TO WARRANT ONLY GRADUAL RATE RISES	BFW	08:30
*YELLEN: FINANCIAL STRAINS COULD WEIGH ON OUTLOOK IF PERSISTENT	BFW	08:30
*YELLEN: JOB, WAGE GAINS SHOULD SUPPORT INCOMES AND SPENDING	BFW	08:30

- Credit: Loans were weaker by ¼ across the board as the S&P index was down 50bps (the worst day of 2016). 2 BWICs hit the market. Keurig and Vizient (up 3/8 and 1 point ish respectively). The calendar appears to be winding down (but watch those sneaky bankers…). Cash remains elevated while sentiment is abysmal. The S&P LSTA 100 Index now stands at a price of 86.83 which the lowest close since late 2009. We are also hearing that some hedge funds and private equity funds are nibbling on deep discounted loans…



- Charts of the day:

European Inflation


Thomson Reuters/CoreCommodity CRB
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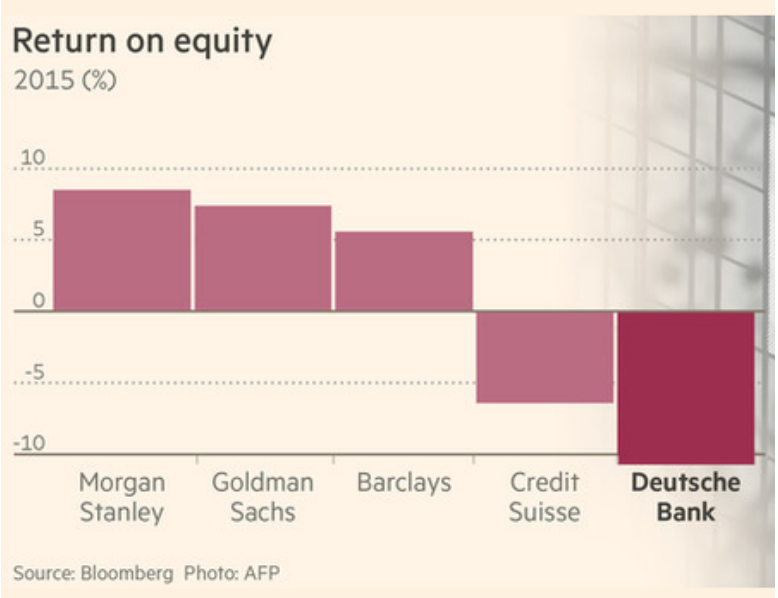
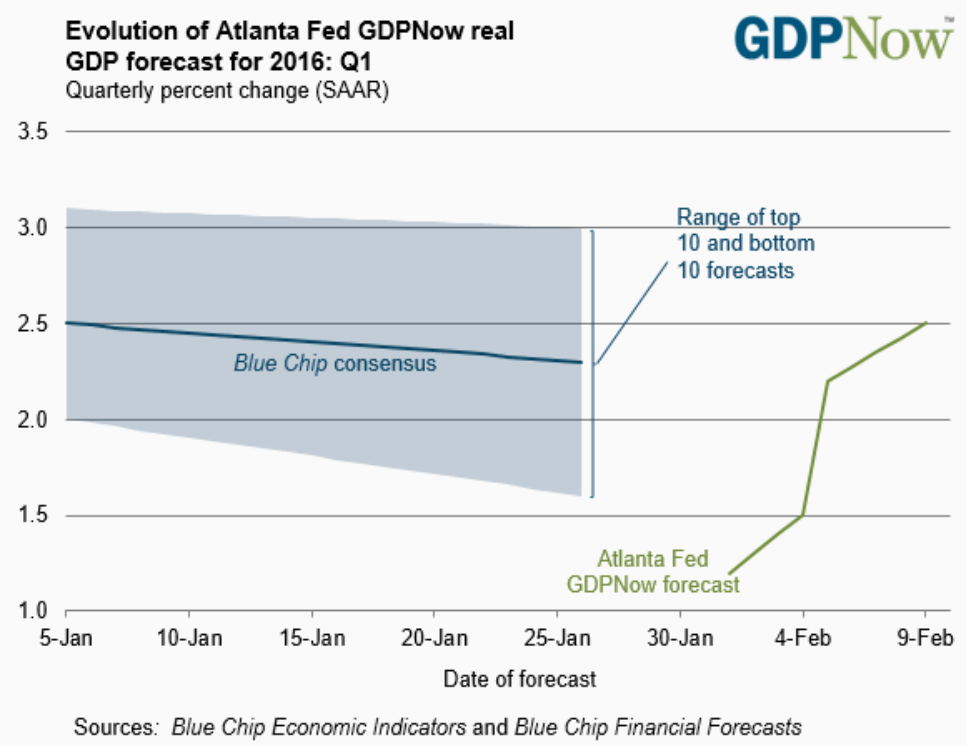
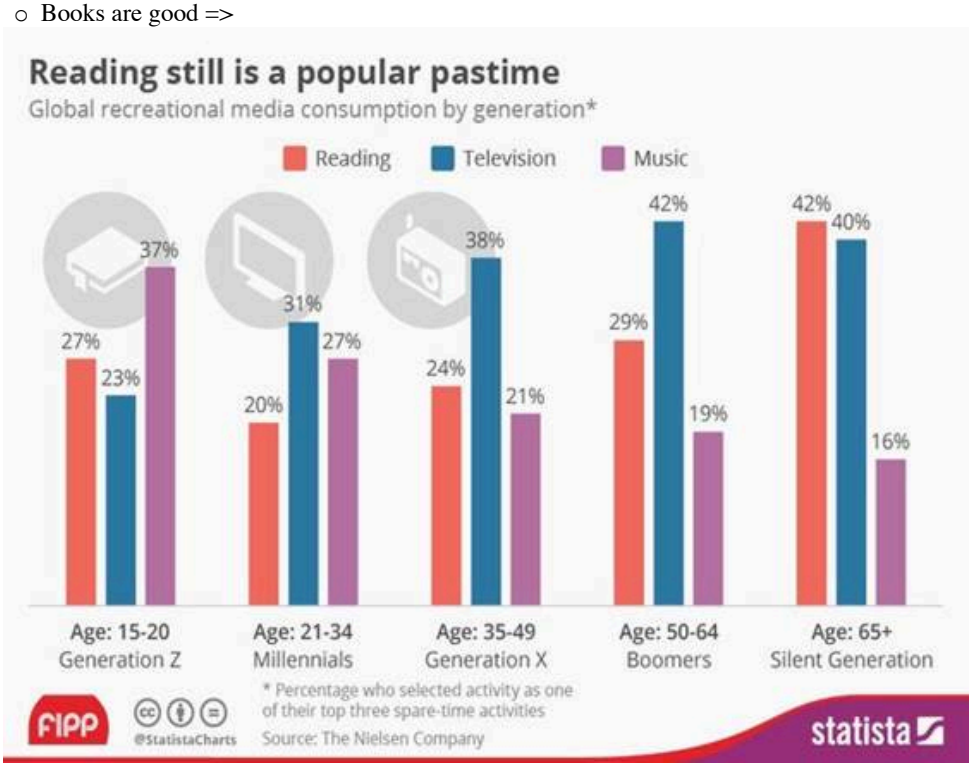


WOW!!!! (the Atlanta Fed has been the most accurate forecaster)



- Other:
  - "Everything is ok…." http://www.cnbc.com/2016/02/09/reuters-america-no-easy-way-out-for-deutsche-bank-as-investors-lose-faith.html
  - Books are good =>



- HY: 97 9/16 (+7/16)

- IG: 117 ½ (-2)
- CSLLI: -0.44% mtd / -1.16% ytd

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